

**CITY COURT OF MARKSVILLE**

**FINANCIAL STATEMENTS**

**JUNE 30, 2014**

***DUCOTE & COMPANY***  
***Certified Public Accountants***  
***219 North Washington Street***  
***P. O. Box 309***  
***Marksville, Louisiana 71351***

**CITY COURT OF MARKSVILLE  
MARKSVILLE, LOUISIANA  
June 30, 2014**

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**City Court of Marksville**

P. O. Box 429

Marksville, Louisiana 71369

**LOUISIANA ATTESTATION QUESTIONNAIRE**

December 2, 2014

Ducote & Company  
Certified Public Accountants  
P. O. Box 309  
Marksville, Louisiana 71351

In connection with your compilation of our financial statements as of June 30, 2014 and for the twelve months then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Government Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 2, 2014.

**PUBLIC BID LAW**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

**CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

**BUDGETING**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes ☒ No ☐

**ACCOUNTING AND REPORTING**

All non-exempt government records are available as a public record and have been retained for at least three years, as requires by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92 as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA- RS 24:513.

Yes ☒ No ☐

**MEETINGS**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

**DEBT**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes ☒ No ☐

Ducote & Company  
Page 3  
December 2, 2014

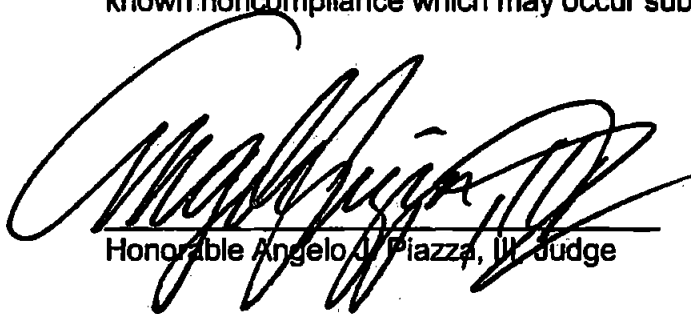
**ADVANCES AND BONUSES**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.



Honorable Angelo J. Piazza, III Judge

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

The Honorable Angelo J. Piazza, III  
Judge  
City Court of Marksville  
Marksville, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the City Court of Marksville and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the City Court of Marksville's compliance with certain laws and regulations during the twelve months ended June 30, 2014 included in the accompanying *Louisiana Attestation Questionnaire*.

Management of the City Court of Marksville is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**PUBLIC BID LAW**

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the twelve months ended June 30, 2014 for materials and supplies exceeding \$30,000, or public works exceeding \$150,000.

## **CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. Obtain from management a list of the immediate family members of management as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all Fund members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management (agreed-upon procedures (3) appeared on the list provided by management in agreed-upon procedures (2).

## **BUDGETING**

5. Obtained a copy of the legally adopted budget and all amendments.

LRS-RS 39:1301 specifically states that only judicial expense funds (for judges) are to adopt budgets. Other funds of judges (city courts) are not required to adopt budgets.

6. Trace the budget adoption and amendments (if any) to the minutes.

Not applicable – See response to agreed-upon procedures (5) above.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more.

Not applicable – See response to agreed-upon procedures (5) above.

...

## **ACCOUNTING AND REPORTING**

8. Randomly select 6 disbursements made during the period under examination and:  
(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee;

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

All six of the payments were properly approved and signed.

## **MEETINGS**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Not applicable - The City Court of does not hold public meetings or maintain minute books.

## **DEBT**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

## **ADVANCES AND BONUSES**

11. Examine payroll records for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

An inspection of the payroll records for the year noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

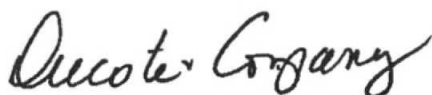


## PRIOR COMMENTS AND RECOMMENDATIONS

The prior year compiled financial statements, dated December 13, 2013, issued by Ducote & Company, Certified Public Accountants, did not include any comments or unresolved matters.

We were not engaged to perform, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the City Court of Marksville and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



*Ducote & Company*

Certified Public Accountants  
Marksville, Louisiana  
December 2, 2014

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

The Honorable Angelo J. Piazza, III  
Judge  
City Court of Marksville  
Marksville, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of the City Court of Marksville, a component unit of the City of Marksville, Louisiana, as of and for the twelve months ended June 30, 2014. A review includes primarily applying analytical procedures to the management's financial data and making inquiries of the management of the City Court of Marksville. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do express such an opinion.

The management of the City Court of Marksville is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management has omitted the management's discussion and analysis, information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated December 2, 2014, on the results of our agreed-upon procedures.



***Ducote & Company***

Certified Public Accountants  
Marksville, Louisiana  
December 2, 2014

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT WIDE FINANCIAL STATEMENTS**

**CITY COURT OF MARKSVILLE**  
Marksville, Louisiana

**STATEMENT OF NET POSITION**  
June 30, 2014

	<b>GOVERNMENTAL ACTIVITY</b>
<b>ASSETS</b>	
Cash	\$9,147
Intergovernmental receivables	3,637
Property and equipment (net of accumulated depreciation)	<u>8,267</u>
Total Assets	<u>21,051</u>
<b>LIABILITIES</b>	
Accounts payable	4,170
Payroll taxes payable	<u>6,866</u>
Total Liabilities	<u>11,036</u>
<b>NET POSITION</b>	
Investment in capital assets, net of related debt	8,267
Restricted for court purposes	<u>1,748</u>
Total Net Position	<u>\$10,015</u>

See accompanying notes and independent accountants' review report.

**CITY COURT OF MARKSVILLE**  
Marksville, Louisiana

**STATEMENT OF ACTIVITIES**  
For the Twelve months Ended June 30, 2014

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Operating Grants</u>	<u>Net (Expenses) Revenues</u>
<u>Governmental Activities</u>			
General Government			
Insurance	\$1,572	\$1,569	(\$3)
Professional fees	9,250	9,233	(17)
Operating services	263,953	263,461	(492)
Facilities maintenance	6,751	6,738	(13)
Depreciation	1,665	1,662	(3)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>\$283,191</u>	<u>\$282,663</u>	<u>(527)</u>
Changes in net position			(527)
Net position - beginning of year			<u>10,542</u>
Net position - end of year			<u>\$10,015</u>

See accompanying notes and independent accountants' review report.

## **FUND FINANCIAL STATEMENTS**



**CITY COURT OF MARKSVILLE**  
Marksville, Louisiana

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	<u>Civil Court Maintenance</u>	<u>Crimminal Court Operating</u>	<u>City Court Marshall</u>	<u>City Court Police Officers Witness</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$1,029	\$5,278	\$1,400	\$1,440	\$9,147
Due from other govt units	0	3,637	0	0	3,637
Total Assets	<u>\$1,029</u>	<u>\$8,915</u>	<u>\$1,400</u>	<u>\$1,440</u>	<u>\$12,784</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$355	\$3,815	\$0	\$0	\$4,170
Payroll taxes payable	0	6,866	0	0	6,866
Total liabilities	<u>355</u>	<u>10,681</u>	<u>0</u>	<u>0</u>	<u>11,036</u>
Fund balance:					
Assigned	0	0	1,400	1,440	2,840
Unassigned	674	(1,766)	0	0	(1,092)
	<u>674</u>	<u>(1,766)</u>	<u>1,400</u>	<u>1,440</u>	<u>1,748</u>
Total Liabilities and Fund Balance	<u>\$1,029</u>	<u>\$8,915</u>	<u>\$1,400</u>	<u>\$1,440</u>	<u>\$12,784</u>

See accompanying notes and independent accountants' review report.

**CITY COURT OF MARKSVILLE**  
Marksville, Louisiana

**Reconciliation of the Governmental Fund Balance Sheet  
To the Statement of Net Position  
June 30, 2014**

Total fund balance for the governmental fund at June 30, 2014	\$1,748
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Total net assets reported for the governmental activities in the statement of net assets is different because:

Capital assets used in the governmental activities are not financial resources, and therefore are not reported in the funds. These assets consist of:

Cost of capital assets as of June 30, 2014	\$20,372	
Less: accumulated depreciation as of June 30, 2014	<u>(12,105)</u>	<u>8,267</u>

Net position at June 30, 2014	<u><u>\$10,015</u></u>
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See accompanying notes and independent accountants' review report.

**CITY COURT OF MARKSVILLE**  
Marksville, Louisiana

**Statement of Revenues, Expenditures, and  
Changes in Fund Balance- Governmental Fund Type  
For the Twelve months Ended June 30, 2014**

	Civil Court Maintenance	Criminal Court Operating	City Court Marshal	City Court Police Officers Witness	Totals
<b>REVENUES</b>					
Bonds, fines & court costs	\$6,739	\$257,231	\$6,830	\$11,863	\$282,663
Total revenues	6,739	257,231	6,830	11,863	282,663
<b>EXPENDITURES</b>					
General government					
Insurance	0	188	1,384	0	1,572
Office	2,326	11,993	298	0	14,617
Salaries and related benefits	0	216,581	0	0	216,581
Witness fees	0	0	0	10,700	10,700
Capital outlay	0	3,010	0	0	3,010
Dues and subscriptions	0	3,070	225	0	3,295
Repairs and maintenance	180	3,717	2,854	0	6,751
Rental expense	0	450	2,900	0	3,350
Postage	338	3,152	141	0	3,631
Professional fees	0	9,250	0	0	9,250
Utilities and telephone	1,966	3,386	916	0	6,268
Travel	0	4,200	0	0	4,200
Uniforms	590	0	721	0	1,311
Total expenditures	5,400	258,997	9,439	10,700	284,536
Excess (deficiency) of revenues over expenditures	1,339	(1,766)	(2,609)	1,163	(1,872)
Fund balance, beginning	(665)	0	4,009	277	3,621
Fund balance, ending	\$674	(\$1,766)	\$1,400	\$1,440	\$1,748

See accompanying notes and independent accountants' review report.

**CITY COURT OF MARKSVILLE**  
**Marksville, Louisiana**

**Reconciliation of Statement of Revenues, Expenditures, and  
Changes in Fund Balance to the Statement of Activities  
For the Twelve Months Ended June 30, 2014**

Total net changes in fund balance at June 30, 2014, per the Statement of Revenues, Expenditures and Changes in Fund Balance	(\$1,872)
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The change in net assets reported for governmental activities in the  
statement of activities is different because

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is  
allocated over their estimated useful lives and reported as  
depreciation expense.

Capital outlays during the year ended June 30, 2014	3,010
Depreciation expense for the year ended June 30, 2014	<u>(1,665)</u>

Total changes in net position at June 30, 2014 per Statement of Activities	<u><u>(\$527)</u></u>
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See accompanying notes and independent accountants' review report.

**CITY COURT OF MARKSVILLE**  
Marksville, Louisiana

**Statement of Fiduciary Net Assets**  
**Fiduciary Fund**  
**June 30, 2014**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$17,177
Accounts receivable	\$772
Due from other govt units	<u>237</u>
Total Assets	<u>\$18,186</u>
<b>LIABILITIES</b>	
Liabilities:	
Accounts payable	\$694
Due to other governmental units	3,637
Payroll taxes payable	1,182
Advance deposits payable	<u>12,673</u>
Total liabilities	<u>18,186</u>

See accompanying notes and independent accountants' review report.

## **CITY COURT OF MARKSVILLE**

### **NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**

#### **INTRODUCTION**

The City Court of Marksville (the "City Court") was created under the authority of Chapter 24 of Title 13 of the Louisiana Revised Statutes (LRS). The statutes provide for the territorial jurisdiction, powers, authority, functions, election or appointment, tenure and compensation of the judge, clerk, and marshal or constable of the various city courts throughout the state. The City Court's criminal jurisdiction, as provided by LRS 13:1894, is limited to the trial of offenses committed within its territorial jurisdiction that are not punishable by imprisonment at hard labor, including the trial of cases involving the violation of any city or parochial ordinance. In addition, the judge may also require bonds to keep the peace; issue warrants or arrest; examine, commit, and admit to bail and discharge; and hold preliminary examinations in all cases not capital. The City Court's civil jurisdiction, as provided by LRS 13:1891, is provided in the applicable provision of the Louisiana Code of Civil Procedure.

The city judge, as provided by LRS 13:1872, is elected for a term of six years and, except as otherwise provided in LRS 13:1875, receives an annual salary payable monthly by the City of Marksville and the Avoyelles Parish Police Jury. As provided by LRS 13:1879, the city court clerk is appointed by the city judge and serves at the pleasure of the judge until a successor is appointed. The clerk is responsible for maintain the minute entries of the court, a docket of all proceedings in civil and criminal matters, and additional duties enumerated by law.

The city marshal, as provided by LRS 13:1879, is elected for a term of six years and receives an annual salary as enumerated in LRS 13:1883. The marshal is the executive officer of the court and executes the orders and mandates of the court, makes arrest and preserved the peace.

The City Court has special provisions that are enumerated under LRS 13:2488.51-59. These statutes govern the court's rules of conduct, salary and city judge's fees, salaries of the marshal and clerk, collection of fines, forfeitures, penalties and costs, and cost of criminal matters.

#### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

##### **A. FINANCIAL REPORTING ENTITY**

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City Court of Marksville or if City Court of Marksville is considered a component unit of another entity for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

## **CITY COURT OF MARKSVILLE**

### **NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**

#### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)**

##### **A. FINANCIAL REPORTING ENTITY (continued)**

This criteria includes:

- 1) Appointing a voting majority of an organization's governing body, and
  - a) The ability to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
- 2) Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

The City Court of Marksville is a potential component unit of the City of Marksville, Louisiana. However, the City Court of Marksville is a separate reportable entity from the City of Marksville. The City Court is staffed by an independently elected city judge who appoints/hires City Court staff. Although the City of Marksville does provide facilities and some of the City Court financing, no control is exercised over its operations.

##### **B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The government wide fund financial statements report the information on all of the non-fiduciary activities of the City Court of Marksville. Governmental activities are normally supported by fees, fines, and assessments which are reported separately from the business-type activities, which relay to a significant extent on fees and user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include fees, fines, and assessments authorized for collection by the City Court.

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**CITY COURT OF MARKSVILLE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)**

**C. FUND ACCOUNTING**

The accounts of the City Court are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are to be controlled

**GOVERNMENTAL FUNDS**

Governmental funds account for all or most of the City Court of Marksville's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

**Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes

**Fiduciary Funds**

*Agency Fund*

The agency fund accounts for assets held by the City Court in a custodial capacity. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the City Court may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the City Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.



## CITY COURT OF MARKSVILLE

### NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE TWELVE MONTHS ENDED JUNE 30, 2014

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

##### E. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Donated assets are valued at the fair market value at the time of the donation. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Machinery and equipment	5-7 years
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##### F. COMPENSATED ABSENCES

The City Court has no specific policy relating to compensated absences. Employees are granted ten (10) days of vacation annually, and any amounts not used lapse at year end. The compensated absences at June 30, 2014 are immaterial to the financial statements and are therefore not accrued at June 30, 2014.

##### G. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and the payment of principle and interest are reported as expenditures.

##### H. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### I. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net assets and displayed in two components:

***Investment in capital assets*** – consists of capital assets including restricted assets, net of accumulated depreciation

***Restricted net assets***- consists of net assets restricted for City Court activities.

## CITY COURT OF MARKSVILLE

### NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE TWELVE MONTHS ENDED JUNE 30, 2014

#### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

##### J. GOVERNMENTAL FUND BALANCES

The City Court of Marksville adopted the provisions of GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of June 30, 2014, which significantly changed the reporting of fund balance in the balance sheets of governmental fund types. In the governmental fund financial statements, fund balances are classified as follows:

***Non-spendable fund balance*** – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

***Restricted fund balances*** – amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.

***Committed fund balance*** – amounts that can be used only for specific purposes determined as defined through ordinances or resolutions approved by the City of Marksville or changes in Louisiana law.

***Assigned fund balance*** – amounts that are constrained by the City Court's intent that they will be used for specific purpose.

***Unassigned fund balance*** - all other amounts not included in the other spendable classifications.

#### NOTE 2. CASH AND CASH EQUIVALENTS

At June 30, 2014, the City Court has cash and cash equivalents (book balances) as follows:

Demand Deposits	<u>\$26,323</u>
Total	<u>\$26,323</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2014, the City Court has \$49,752 (collected bank balances). These deposits are secured from risk by \$49,752 of federal deposit insurance.

**CITY COURT OF MARKSVILLE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**

**NOTE 3. CAPITAL ASSETS**

A summary of changes in general fixed assets for the twelve months ended June 30, 2014 is as follows:

	<u>Balance 6/30/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2014</u>
Capital assets being depreciated:				
Equipment	\$17,362	\$3,010	\$0	\$20,372
	<u>17,362</u>	<u>3,010</u>	<u>0</u>	<u>20,372</u>
Accumulated depreciation	(10,440)	(\$1,665)	\$0	(12,105)
	<u>\$6,922</u>			<u>\$8,267</u>

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Machinery and equipment 5-7 years

**NOTE 4. FUND BALANCES**

Fund balances for the City Court consisted of the following as of June 30, 2014:

**Restricted fund balance** – The committed fund balance consists of funds which are restricted by Louisiana State Statute for the activities of the City Court

**NOTE 5. RETIREMENT CONTRIBUTIONS**

The City Court judge participates in the Louisiana State Employees' Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

The system provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana State Statutes. A publically available financial report that includes financial statements and required supplemental information may be obtained by writing to the Louisiana State Employees' Retirement System, P. O. Box 44213, Baton Rouge, LA 70804.

Plan members are required to contribute 11.5% of their annual covered salary and the City Court is required to contribute 36.3% of the annual covered payroll. The City Court's required contributions to the system for the June 30, 2014 fiscal year was \$24,075.

**CITY COURT OF MARKSVILLE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**

**NOTE 6. LITIGATION AND CONTINGENCIES**

At June 30, 2014, the City Court of Marksville was not involved in any litigation that would materially affect the financial statements.

**NOTE 7. SUBSEQUENT EVENTS**

Subsequent events were evaluation through December 2, 2014, which is the date the financial statements were available to be issued. There were no subsequent events to disclose.

**CITY COURT OF MARKSVILLE**  
**SUMMARY OF CURRENT YEAR FINDINGS**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 2014**

**Section I. Internal Control and Compliance Material to the Financial Statements**

The review/attestation report contained no internal control or compliance findings material to the financial statements.

**Section II. Internal Control and Compliance Material to Federal Awards**

No Federal Awards were received or expended. The review/attestation report contained no findings concerning federal awards.

**Section III. Management Letter**

The review/attestation report contained no separate management letter.